



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 23, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

CONTRACT EXTENSION WITH MUNISERVICES FOR SALES AND USE TAX AUDITING SERVICES (ALL DISTRICTS AFFECTED) (3 VOTES)

SUBJECT

This action is to approve an amendment to an existing contract with MuniServices for continued sales and use tax auditing services on a month-to-month basis, commencing upon Board approval, for up to 6 months. All other terms, conditions, requirements and specifications of the existing contract, as previously amended, shall remain in effect.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve Amendment Four to Contract No. 74492 with MuniServices to extend the existing agreement on a month-to-month basis, commencing upon Board approval, for up to six (6) months, with no other changes to the existing agreement.
2. Instruct the Chief Executive Officer to execute the amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to continue the sales and use tax auditing services provided by MuniServices pending completion of the current Request for Proposal (RFP) process.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize the effectiveness of the County's processes, structure and operations (Goal 1). This Amendment will continue to utilize the current contractor's expertise to effectively provide this service while the current RFP process is concluded.

FISCAL IMPACT/FINANCING

Funding for this extension is available in the fiscal year 2009-10 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County currently receives approximately \$60.0 million in annual revenue from the collection of local sales and use taxes generated in the unincorporated areas of the County. In-house efforts to identify many of the common errors related to misallocated tax revenues have proven beneficial to the County. However, the desired auditing services are highly technical and specialized and the County does not have the expertise or available resources to identify the more complex sales and use tax misallocation errors.

On June 17, 2008, your Board approved an amendment to Contract No. 74492 with MuniServices to allow for the review of the County's internal sales tax activities, the reevaluation of the County's need for updated reports from a consultant, as well as the release of a RFP. However, additional time is required to complete the current RFP process; thus, an extension to the current agreement is requested.

The Agreement has been reviewed and approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

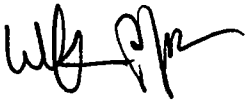
The continued utilization of a specialized sales tax auditing consultant will assist the County in ensuring the maximization of sales and use tax revenues which are used to finance critical services that are provided to County residents.

The Honorable Board of Supervisors
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CONCLUSION

Upon Board approval, please return two (2) adopted copies of this letter and two (2) original signed Agreements to the Chief Executive Office, Finance and Budget Development.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF: SRH:DIL
SK:EC:YR:yjf

Attachment

c: County Counsel
Auditor-Controller

MuniServices.Extension.bl

**AMENDMENT FOR
SALES AND USE TAX AUDITING SERVICES**

County of Los Angeles Agreement No. 74492-4

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this _____ day of _____, 2009,

by and between

COUNTY OF LOS ANGELES
(Hereinafter "County"),

and

MUNISERVICES, LLC,
A Delaware Limited Liability Company
(Hereinafter "MUNISERVICES" or
"CONSULTANT")

Business Address:
MUNISERVICES, LLC
7335 N. Palm Bluffs Ave.
Fresno, CA 93711

WHEREAS, reference is made to that certain document entitled "Sales & Use Tax Auditing Services, dated June 3, 2003 and further identified as County Agreement No. 74492 and any Amendments thereto (all hereafter referred to as "Agreement" or "Contract"); and

WHEREAS, the Chief Executive Officer, in accordance with Government Code Sections 23005 and 31000, entered into the Agreement with CONSULTANT to provide sales and use tax auditing services to the COUNTY; and

WHEREAS, the COUNTY and CONSULTANT mutually agree that it is in both of their interests to extend the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual benefits derived there from, it is agreed between the parties that the Agreement shall be amended as follows:

1. This Amendment shall commence on the date of execution.
2. Section 4, Term of Agreement, shall be deleted in its entirety and replaced as follows:
 - 4.1 The term of this Agreement shall be three (3) years commencing July 1, 2003 after execution by the COUNTY'S Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.
 - 4.2 The County Contract Director and the Contractor Contract Manager are authorized to extend this agreement for up to two additional one-year periods, and may extend up to 18 months on a month-to-month basis, beyond the cumulative five-year term by a written contract amendment executed by each. Each such option year shall be exercised individually. The month-to-

month portion may be terminated upon thirty days written notice by the
County Contract Director.

3. Except for the Changes set forth herein above, Agreement shall not be changed in
any respect by the Amendment.

IN WITNESS THEREOF, the CONSULTANT has caused this Amendment of Contract to be
subscribed on its behalf by its duly authorized officer, and COUNTY OF LOS ANGELES has
caused this Amendment of Contract to be subscribed by its duly authorized Chief Executive
Officer and Contract Administrator on the day, month and year first below written.

COUNTY OF LOS ANGELES


By _____
WILLIAM T FUJIOKA
Chief Executive Officer

Date _____

MUNISERVICES, LLC
A Delaware Limited Liability Company

By 
Marc Herman, President

Date 6/11/09

By 
Kevin Cerutti, Chief Financial Officer
Vice President, Finance

Date 6/11/09

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By 
THOMAS M. TYRRELL
Principal Deputy County Counsel
Government Services Division